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To BOND OR NOT TO BOND

WHEN THE ECONOMY IS TIGHT, WHY SHOULD THE STATE PROCEED WITH BUILDING PROJECTS ACROSS IDAHO?

Two years ago, the Legislature approved a list of badly needed Permanent Building Fund projects on college campuses across the state. With the effects of the national economy taking their toll on Idaho, these projects were put on hold and their appropriated funds were borrowed to balance the state budget. With low interest rates, an eager construction industry, and a need for true economic stimulus across the state, the conditions are ideal to proceed with these projects.

What are the Building Projects?

Community	Institution	Description
Lewiston	Lewis-Clark State College	Campus Activity Center
Twin Falls	College of Southern Idaho	Fine Arts Addition
Moscow	University of Idaho	Teaching and Learning Center
Nampa	Boise State University	BSU West Campus
Pocatello	Idaho State University	Classroom Building
Coeur d'Alene	North Idaho College	Allied Health/Nursing/Life Science Bldg.
Idaho Falls	Eastern Idaho Technical College	Maintenance Bldg. Expansion
Boise	Historical Society	Historical Museum -- Phase II
*Meridian	Idaho State Police	Meridian Training Academy Expansion
*Boise	Department of Correction	Women's Community Work Center

*Indicates facilities not on college campuses

Will my taxes go up to pay for these buildings?

No. Historically, about \$10 million is used each year for new construction costs. The Governor has proposed spending \$5 million per year over 20 years from existing resources in the Permanent Building Fund to bond for these new facilities.

Why Bond for these Projects?

There are immediate facility needs across the state. Bonding will allow the state to build all of these important facilities immediately, meeting overdue needs across the state, including buildings on each state college and university campus. Without bonding, these projects will be completed one at a time as money becomes available over the next 20 years.

Doesn't it cost the State more to "bond" than to "pay as we go"?

No. When you compare the added cost of interest related to bonding with the expected inflationary increases in construction costs over the next 10 years, the total cost is about the same. The benefit to bonding and building now is an immediate economic stimulus that creates hundreds of high paying construction jobs and infuses millions of dollars into local economies.

Can we afford to "bond"?

The State of Idaho has used bonds to build a number of facilities in the past. With favorable interest rates, it is a responsible measure to meet existing needs. With a struggling economy, it is a necessary measure to provide real economic stimulus to Idaho's economy. Can we afford to "bond"? The real question is, can we afford not to?